

REQUEST FOR COUNCIL ACTION

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MEETING

DATE: 9/15/03

AGENDA SECTION: Public Hearings	ORIGINATING DEPT: City Administrator	ITEM NO. E-1
ITEM DESCRIPTION 2004 Community Development Block Grant Program		PREPARED BY: T. Spaeth

NOTE TO COUNCIL: The actual request forms have been separately to the Council due to their length. In addition, the 2004 appropriation form to be filled out by the Council members has also been sent separately.

This Public Hearing is a requirement of the 2004 Community Development Block Grant (CDBG) Program which is a federally funded through the Department of Housing and Urban Development (HUD). Comments on the proposed program are to be taken at the hearing, but no appropriations will be made or action taken at this meeting. Following the hearing, the individual appropriation forms are to be filled out by the Councilmembers and are to be submitted to the Administrator's Office by October 1, 2003. The Council will review the individual appropriations and is tentatively scheduled to make their decisions on the 2004 CDBG appropriations at a second public hearing scheduled for October 6, 2003.

At this time we have not received any confirmation from HUD on the exact amount of CDBG funding that will be received in 2004; however, we are using an estimate of \$680,000. If the funding that is received is more or less than the \$680,000 estimate, the City will need to adjust the amount of the appropriations to the 2004 recipients

The individual requests for CDBG funds have been submitted to the Council separately from the agenda due to their length. The City also received financial information on each non-governmental applicant in the form of IRS Form 990.

These Form 990's were not copied with the applications since they are fairly lengthy; however, they are available upon request from the City Administrator's Office.

- As we have done for the past several years, this office is strongly recommending that needed funding for the continuing of the City's Single Family Home Rehab program and the cost of administration of this program (staffing provided by the Rochester/Olmsted Planning Department) be provided up front prior to considering the other requests. The amount recommended for 2004 is a minimum of \$250,000 for the Single Family Home Rehab program. The Rochester/Olmsted Planning Department is also requesting, and we are recommending, \$35,000 to administer the overall CDBG program. In addition, the City Council had previously obligated \$50,000 annually to the First Homes Program for a 5 year period. The staff would recommend that this \$50,000 for First Homes be appropriated from the 2004 CDBG funds. When these amounts are subtracted from the estimated \$680,000 there will be \$345,000 remaining to be appropriated.

This office also recommends strong consideration be given to the requests of the Senior Citizens Center and the City's Park and Recreation Department's request for park improvements. If they are not funded with CDBG dollars, they will likely have to be funded with property tax dollars.

COUNCIL ACTION REQUESTED:

Hold and close the public hearing. The applicants should be advised that another hearing is scheduled for Monday, October 6, 2003, at 7:00 p.m. after which the Council will approve the appropriation of the 2004 CDBG funds.

COUNCIL ACTION: Motion by: _____ Second by: _____ to: _____

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**COMMUNITY DEVELOPMENT BLOCK GRANT
PROGRAM**

TO: Terry Spaeth, Assistant to the City Administrator

FROM: Theresa Fogarty, CDBG Administrator

DATE: September 8, 2003

RE: 2004 Community Development Block Grant Requests

TOTAL CDBG REQUESTS: \$694,290

The following is a review of the Community Development Block Grant (CDBG) requests primarily containing comments on eligibility, fundability, and program benefit.

A. PUBLIC SERVICES. The following are eligible activities as indicated in the CDBG regulations 507.201(e). Please note that the amount allocated for public services cannot exceed 15% of the Grant Allocation (507.201(e)(1)). This year's estimated grant amount is \$680,000 therefore, the total amount of the public services allocation cannot exceed \$102,000.

- 1. Aldrich Memorial Nursery School.** Aldrich Memorial Nursery School (AMNS) is a nationally accredited learning program for pre-school aged children. AMSN has served Rochester for over 59 years. In 1953, AMNS became Rochester's first independent, incorporated, non-profit nursery school. Since its inception, the Aldrich Memorial Nursery School has been committed to providing its services to children of low-income families and has long offered financial assistance to enable children from low-income families to attend Aldrich Memorial Nursery School. Applicants are eligible for assistance if gross family income does not exceed 70% of the state median income. The number of families requesting financial assistance has increased. Single parent households, families with significant medical issues (either the children or other family members), single income families and children whose parents themselves attending school are some of the types of families that are served.

Aldrich Memorial Nursery School is requesting CDBG funding to provide financial assistance to children from low income families allowing participation of early childhood education.

Aldrich Memorial Nursery School received \$4,900 of CDBG funds in 2003. To date, a balance of \$4,900 remains.

Amount Requested: \$7,000

2. **Alternative Dispute Resolution (ADR) Services.** ADR Services is one of six Minnesota community-based mediation programs providing no cost mediation services for low to moderate income individuals and families.. ADR Services primary service area is the City of Rochester with about 80% of the caseload coming from this community.

ADR Services resolve disputes in a peaceful way, but the process itself is a learning experience, providing the clients with "tools" to appropriately manage future conflict. ADR Services complement and enhance those provided by Rochester public and private schools, County Social Services, District Court, many private attorneys and counseling services.

The bulk of the 2002 services include disputes involving family parenting (communication and parenting time) 34%, rental issues 21%, workplace issues 15% and business-consumer issues 16%. Twenty percent of all cases fall into the Human Rights category.

ADR Services is requesting \$24,000 of CDBG funding for rent, utilities and other operating expenses. This figure is approximately 25% of the operating budget. The paid 1.8 staff is prepared and willing to cut hours to accommodate the anticipated reduction of County finding to retain this vital program.

ADR Services requested CDBG funding in 2003, but did not receive any CDBG funding.

Amount Requested: \$24,000

3. **Arc Southeastern Minnesota.** Incorporated in 1955 to improve the quality of life for people with developmental disabilities and their families. Arc Southeastern Minnesota is requesting CDBG funding to assist with the cost of administration for their People First Program.

Arc Southeastern has been an integral part of the development, training, support and maintenance of this organizations. The advisor to the group is an individual and Family Advocate, employed by Arc. Through the People First program, members work on issues that include: identification of personal strengths, sharing of problems or concern, communication skills, self-confidence, as well as the evolution of strategies to address individual and/or group needs. All participants are low-moderate income individuals. Total cost of the program is \$36,550.

Arc Southeastern Minnesota received \$5,500 of 2003 CDBG funding. To date, a balance of \$5,500 remains.

Amount Requested: \$19,000

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4. **Boys & Girls Club of Rochester.** The "Club" is part of a nationwide affiliation of local, autonomous organizations and Boys & Girls Clubs of America working to help youth of all backgrounds develop the qualities needed to become responsible citizens and leaders. The mission of the Boys & Girls Club is "to inspire all young people, especially those from disadvantaged circumstances, to realize their full potential as productive, responsible and caring citizens". The "Club" meets it's mission by delivering programming to youth, ages 6 through 18, in five core areas: Education and Career Development, Character and Leadership Development, Health and Life Skills, Sports, Fitness and Recreation and the Arts. As of July 31, 2003, a membership of 236 youth existed. Average daily attendance for July was 60 and 150 members attended at least once a week. Of those children for whom they presently have household income data, 57 percent in households with income below \$15,000 and 83% live in households with incomes below \$30,000.

The Boys & Girls Club of Rochester is requesting CDBG funding to be used to develop systems for data analysis, for direct data analysis and to develop/implement evaluation methodologies to be used on an ongoing basis to improve the Club's capacity to plan and manage programs.

The Boys & Girls Club received CDBG funding in 2002. To date, no balance remains.

Amount Requested: \$ 14,400

5. **Channel One, Inc.** Channel One, Inc., is a nonprofit agency operating a regional food bank warehouse, distributing more than 4.5 million pounds of food to 160 nonprofit agency programs in Olmsted County and twelve other SE Minnesota counties. As part of its program operations, Channel One distributes about 1.265 million pounds of food to more than 3,500 low-income Olmsted County households annually through the Supplemental Food Shelf program.

Channel One is requesting CDBG funds to purchase an electronic scale to fit the sit down fork truck. The CDBG request includes the price of the scale, and associated set-up costs. Currently, incoming products are weighed with a floor scale that can handle product items that weigh less than 1,000 pounds. Workers in the food bank are limited in their efficiency and accuracy of product identification when they need to unpack large donations in order to weigh them in stages.

Channel One has received CDBG funding in previous years. To date, no balance remains.

Amount Requested: \$8,000

6. **Child Care Resource and Referral, Inc. (CCRR).** CCRR is a multi-program, private non-profit agency providing child care services and early childhood programs (Head Start) for low-moderate income families. CDBG funds are requested to fund a portion of the Child Care Assistance Program (Basic Sliding Fee program). This program supports lower income eligible families to become self-sufficient by providing partial child care assistance. The child care assistance programs enables clients to work and/or acquire an education to pursue better employment opportunities. The CDBG funds are requested for clients who are working poor, non-MFIP (Minnesota Family Investment Plan) families seeking to be financially stabled. These clients are not on public assistance. The child care assistance waiting list as of August 31, 2003 is 371 families. It is estimated that these families may have to remain on the waiting list for approximately 1 ½ to 2 years.

CCRR received \$31,000 of 2003 CDBG funds to purchase a van for the Head Start program and installation of access doors at their facility. To date, a balance of \$11,800 remains for the installation of the access doors. CCRR is in the process of obtaining bids.

Amount Requested: \$60,000

7. **Family Action Collaborative.** Family Action Collaborative (FACES) is a local collaboration of human service providers, public officials, consumers, parents, businesses, and nonprofits. These partners are dedicated to improving the over-all human service delivery system for children and families. The collaborative structure was developed under a grant from the Minnesota Department of Children, Families and Learning in 1995. The purpose of collaboratives is to reduce duplication services, integrate funding streams to implement new projects, achieve local funding and sustainability and encourage working together toward common goals.

FACES is requesting CDBG funding to continue the work of the collaborative. When a Family Service Collaborative exists, within a county, federal dollars can be earned through a program called the Local Collaborative Time Study (LCTS). FACES is the local collaborative, and \$583,000 in federal funds was earned through LCTS last year. The CDBG funds will be used to assist with administration of the operation of the collaborative, develop 3-5 year goals for the collaborative, as determined by a strategic planning process, assure the maximum potential LCTS funds are earned, and will coordinate networking amongst the action teams and partners.

FACES received \$10,300 of 2003 CDBG funds. To date, all funding has been spent.

Amount Requested: \$15,000

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8. **PossAbilities of Southern Minnesota.** A non-profit organization founded in 1961 by parents and advocates for persons with developmental disabilities. This agency was one of the original nine original projects established by the Minnesota State Legislature to support individuals with developmental disabilities in their home communities. PossAbilities is committed to assisting people with disabilities to be contributing members of the community. Everyone supported by PossAbilities has some degree of mental retardation and many also have significant physical disabilities. All of the 193 people supported by PossAbilities reside in the City of Rochester or Olmsted County and are in the low to moderate income category.

PossAbilities is requesting CDBG funds to provide a new transportation vehicle. One of their vans is over 10 years old, has over 100,000 miles and is frequently in need of repairs and is very unreliable. Currently it is in need of major repairs costing over \$3,000. PossAbilities currently make over 230 trips a day. The new vehicle will be another wheelchair accessible mini-bus complete with a hydraulic wheelchair lift. This mini-bus can accommodate four-six individuals in wheelchairs and also have room for up to twelve other persons. The mini-bus will offer more reliable transportation to support on ongoing transportation collaborative with Ability Building Center.

PossAbilities received \$3,100 of CDBG funding in 2003. To date, a balance of \$3,100 remains.

Amount Requested: \$5,000

9. **Rochester Area Disabled Athletics and Recreations, Inc. (RADAR).** The Rochester Area Disabled Athletics and Recreation, Inc. was incorporated in 1985. Prior to that date, a Wheelchair Sports committee was assisting the management of wheelchair basketball team with limited financial support from the Courage Center.

RADAR is a non-profit organization whose mission is to promote and sponsor recreation and athletics for the disabled. Physical fitness and recreation are major components to living an independent life style and mainstreaming, including good health, after re-entering the community. Often times barriers can include extremely limited income, lack of comfort in participation and acceptance by other participating.

RADAR is requesting CDBG funds to assist in the financial support for programs providing opportunities through sporting and recreational activities for individuals with a disability.

RADAR received \$4,400 of CDBG funding in 2003. To date, a balance of \$880 remains.

Amount Requested: \$ 6,500

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10. Samaritan Bethany, Inc. A non-profit organization, providing holistic health services and congenial living environments to aging persons. As the need for long-term health care for seniors and other became more prevalent, the facility was remodeled and converted to a nursing home in 1956. Samaritan Bethany was formed in 1971 from a merger of the Bethany Corporation and the men's fellowship of Peace United Church of Christ of Rochester. Samaritan Bethany has developed a family of services that provide for a long-term care, rehabilitative, and independent living needs of seniors and other, primarily in Olmsted County and the surrounding six counties. With 182 beds, Samaritan Bethany is the largest single provider for nursing home care in Olmsted County. Samaritan Bethany operates two care centers in Rochester: The Home On Eighth and Samaritan Bethany Heights Care Center.

Samaritan Bethany, Inc. is requesting CDBG to replace the cooler/freezer unit at the Samaritan Bethany Heights Care Center, serving 120 elderly residents. The original cooler/freezer was purchased in 1981 and the normal useful life of a unit of this type is 15-20 years. In recent years, this unit has received repeated repairs, twice under emergency conditions.

Samaritan Bethany received \$18,400 of CDBG funding in 2003. To date, all funding has been spent.

Amount Requested: \$ 42,800

11. Rochester Senior Center, Inc. Senior Citizens Services, Inc. / the Rochester Senior Center has been providing programs and services to the seniors of Olmsted County for more than 40 years. In order to meet the many needs of older adults, and especially work to see that the programs are available and accessible to low-moderate income elderly persons, financial assistance from other organizations is needed.

The Rochester Senior Center, Inc. is requesting CDBG funding as follows:

\$93,000 for 2004 occupancy related expenses (utilities, insurance, service agreement, etc.)

\$20,000 for the Senior Dining Program. This program brings a noon meal to four of the City's subsidized Senior High-rise buildings (Park Towers, Fontaine Towers, Northgate Plaza and Central Towers). Due to the program's federal guidelines they are only able to accept donations for this meal. The program has many needs: the current delivery van has over 180,000 miles, much of the equipment in the kitchen is over 20 years old, need for silverware and dishes, dining room chairs. In addition, seven off-site dining sites have equipment needs.

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\$10,000 for the Senior Advocacy Program. The Advocacy Program one-on-one assistance to the elderly. CDBG funds would be used to assist with the administration costs associated with operating this program.

The Rochester Senior Center received \$37,600 of 2003 CDBG funding and an additional \$100,000 of CDBG funding during 2003. To date, no funding has been spent, but the Senior Center is in the process of obtaining bids for repair/replace the roof and air conditioning system.

Occupancy Costs 2004	Amount Requested: \$ 93,000
Senior Dining Program	Amount Requested: \$ 20,000
Advocacy Program	Amount Requested: \$ 10,000

12.Y Mentors Program. The Community Youth Mentorship Program was established to provide positive mentoring relationships to help youth discover abilities by broadening their experiences and opportunities. Y Mentors serves young persons ages 5-18 who are residents of Olmsted County, the vast majority living in the City of Rochester. Criteria the youth that are served must meet : must be attending school; must be facing a personal or family need and must genuinely want a mentor.

As of August, 2002, Y Mentors is serving 151 youth with 111 on the waiting list.

The Y Mentors Program is requesting CDBG funding to be used as general operating funds for the program to recruit new members and reduce the number of youth on the waiting list.

The Y Mentors Program received \$4,700 of 2003 CDBG funding. To date, all funding has been spent.

Amount Requested: \$10,000

TOTAL PUBLIC SERVICES REQUESTS:	\$334,700
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B. ARCHITECTURAL BARRIER REMOVAL. The following is an eligible activity as indicated in the CDBG regulations 570.208(a)(2). CDBG funds may be used to removal material and architectural barriers which restrict the mobility and accessibility of elderly and handicapped persons to publicly or privately owned buildings and facilities.

- 1. Hiawatha Homes Foundation.** Hiawatha Homes Foundation, Inc. was created in 1983 as an agency whose mission is to financially support community services, including residential facilities administered by Hiawatha Homes, Inc. The mission of Hiawatha is to establish and conduct community residential services that promote dignity and independence in the lives of people with developmental disabilities and to provide appropriate care, supervision, and guidance consistent with individual abilities.

Hiawatha Homes residential support services were first established in 1976 with the Valkyrie Home, a large facility designed to serve up to 43 people. In 1985, Hiawatha began to expand its residential serve by establishing typical homes for up to four people each in neighborhoods throughout Rochester. Today, Hiawatha provides support to 80 people at 19 locations in the greater Rochester area.

One of these homes located at 1009 NW 34th Street had an exterior barrier, which prevents simple access to the front entry and patio area. The slope of the walkway is too steep. There is more than a 6 inch difference between the cement walkway and the yard. Another home located at 2712 NW 24th Street has four women living in it. The front entrance has a gradual access to the front door. A home assessment was completed within the last year and a recommendation from this assessment was to install a handrail to provide safety and stability to the women and their guests as they enter and exit the home.

Hiawatha Homes is requesting CDBG funding to assist with the cost of purchase of installation of a railing system at both the homes. The railing system at the 1009 NW 34th Street property would be 22 feet long and at the 2712 NW 24th Street property would be 32 feet long.

The Hiawatha Homes Foundation received \$9,300 of 2003 CDBG funding. To date, \$9,300 remain, but work is under contract to be completed.

Amount of Request: \$ 2,000

- 2. Southeastern Minnesota Center for Independent Living, Inc. (SEMCIL).** SEMCIL is a non-profit organization that provides programs and services which empower persons with disabilities to live independently within the community. SEMCIL's services include information and referral, peer counseling, independent living skills training for youth and adults, accessibility services, housing/home modification, disability awareness/sensitivity training, personal care assistance services, support groups and home health care services.

SEMCIL is requesting CDBG funding to allow continuation of their Home Modification Rehabilitation Program. The Program assists persons with disabilities to remove architectural barriers and address other accessibility issues. Since the program's inception in 1994, the demand for service has been steady. SEMCIL anticipates serving 10 households with the 2003 CDBG funding. SEMCIL is also requesting that 5% of the funding request assist with the administration expenses of this program.

The SEMCIL received \$27,000 of 2003 CDBG funding. To date, a balance of \$27,000 remains. Seven projects are scheduled for completion.

Amount Requested: \$30,000

TOTAL ARCHITECTURAL BARRIER REMOVAL REQUESTS: \$ 32,000
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C. REHABILITATION: The following are eligible activities as indicated in the CDBG regulations 570.201(b).

- 1. Ability Building Center.** Ability Building Center is a not-for-profit vocational rehabilitation work center serving persons with disabilities. They are continually providing realistic and appropriate work for over 44 years, with varying degrees of limitation. These hundreds of persons are able to be productive, earn money, build skills, and move onto other community jobs because of their experience at ABC.

Ability Building Center is requesting CDBG funding to remodel the existing restrooms to create more room and increased handicapped accessibility and insulate the steam pipe attached to the existing boiler, allowing for greater energy efficiency and keeping the boiler system in good working order at the main facility located at 1911 NW 14th Street.

The Ability Building Center received \$21,200 of 2003 CDBG funding. To date, a balance of \$21,200 remain, with all work currently under contract to be completed.

Amount Requested: \$ 49,500

- 2. Bear Creek Services Foundation, Inc.** Bear Creek Services Foundation is a non-profit that was formed in 1978 by a group of Rochester residents expressing the need for residential and support services in the community for children and adults with developmental disabilities or mental retardation. Presently Bear Creek Services provides residential and support services to 52 clients in 13 group homes.

Bear Creek Services Foundation is requesting CDBG funding to replace the exterior siding at the Southside Group Home located at 1416 SE 4th Street. The existing siding is rapidly deteriorating making the house difficult to maintain constant temperatures.

Bear Creek Services has received CDBG funding in previous years. To date, no balance remains.

Amount Requested: \$ 15,650

- 3. Olmsted County HRA (OCHRA).** The OCHRA is a public corporation of the State of Minnesota, providing affordable housing to low-moderate income persons through rental assistance, homeownership and home rehabilitation programs throughout all of Olmsted County.

The OCHRA has operated the flood control rental properties since 1998 when the City of Rochester gave them the properties. It is the OCHRA's goal to improve all of the properties so that they are some of the better properties in the neighborhood. The OCHRA has accomplished this goal for two of the properties, 906 and 908 NW 7th Avenue. The OCHRA is primarily limited to meeting code requirements and other minimal improvements and unable to complete comprehensive improvements due to having to pay the Community Housing Partnership approximately \$45,000 annually. The OCHRA has recently requested the agreement with the Community Housing Partnership be revised.

The OCHRA is requesting CDBG funding to rehabilitate the flood home properties. The type of improvements that will be completed with the CDBG funding will be determined if/when funds are allocated to this project.

The OCHRA received \$54,700 of CDBG funding in 2003. To date, a balance of \$54,700 remains.

Amount Requested: \$100,000

4. Senior Citizens Services, Inc. Agency information previously provided.

Senior Citizens Services, Inc. is requesting CDBG funding assist with maintaining the interior and exterior of the building. Such items are listed on the Senior Capital Improvements Needs List, attached.

Amount Requested: \$35,000

5. Zumbro Valley Mental Health Center (ZVMHC). ZVMHC is a private, non-profit, organization that has served mental health and chemical dependency service needs of Olmsted County since 1965. ZVMHC provides psychiatry (adult, child and adolescent), individual and group therapy for mental health and chemical dependency, treatment program for adults who are dually diagnosed with a mental illness and chemical dependency or are chronic alcoholics, day treatment for adults, children and adolescents, case management services for children with a serious emotional disturbance.

ZVMHC is request CDBG funding to replace the existing windows at their Riverview Center – 13 ½ Street NW, (39 interior and exterior windows) and the Thomas House 6th Avenue SE, (18 windows). The Riverview Center has 39 windows. All need to be replaced. Most do not open and many have combinations that are not usable, a safety concern. ZVMHC proposes to replace the current window with a combination of double

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hung, venting casement and slider windows. Some of the windows, at the Thomas House, are original to the house, estimated 1930, some were replaced in 1950. The existing windows are not the correct size to hold room unit air conditioners (tempered glass is required for the safety of the residents).

ZVMHC has received CDBG funding in previous years. To date, no balance remains.

Amount Requested: \$42,440

TOTAL REHABILITATION REQUESTS: \$242,590

D. PUBLIC FACILITIES. The acquisition, reconstruction, rehab or installation of public facilities and improvements is an eligible activity under CDBG. Eligible types of facilities and improvements include: Neighborhood facilities (e.g. recreational facilities, parks, playgrounds, etc.). The neighborhood facility must be located within a low-moderate income area in order to meet the required federal National Objective.

1. City of Rochester Park and Recreation Department. The Rochester Park and Recreation Department is requesting CDBG funding to assist with the development of an accessible community park/playground.

Funds will be used for accessible equipment, accessible trails, handicap parking, ADA compliance, wheelchair accessible material under the playground and signage. This playground when completed, will meet the goal of one total accessible playground in each section of town. The CDBG funds will be assisting in low-moderate income area within the City of Rochester.

Amount of Request: \$ 50,000

TOTAL PUBLIC FACILITIES REQUESTS: \$ 50,000
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E. PROGRAM ADMINISTRATION. This activity is eligible as described in the CDBG Regulations 570.206(a). No more than 20% of the anticipated grant allocation can be used for program administration. This year's estimated grant amount is \$600,000, therefore, the total amount of program administration cannot exceed \$120,000.

1. Program Administration. Funds requested to assist with overall program management, coordination, monitoring and evaluation of the CDBG Program for the City of Rochester. Staffing is provided by the Rochester-Olmsted Planning Department. CDBG funds have been appropriated to this activity each year.

Amount Requested: \$35,000

TOTAL PROGRAM ADMINISTRATION REQUEST: \$35,000

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Attached for your information is a copy of each application requesting the Community Development Block Grant funds. I have labeled the cover page of each application to correspond to the category which it is identified (ex: Aldrich Memorial Nursery School A-1).

Also, for your information, is a memorandum from the Rochester/Olmsted Planning Department, recommending and supporting continued funding of the City's Home Rehabilitation Program in the amount of \$250,000.

Non-profit agencies requesting CDBG funding have enclosed their 990 forms (provided under separate cover).

Please feel free to contact me if you have any questions or need additional information.

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